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PUBLIC UTILITIES  
COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of

PUBLIC UTILITIES COMMISSION

Instituting a Proceeding to Investigate  
the Implementation of Feed-in Tariffs

DOCKET NO. 2008-0273

**PROPOSED QUEUING AND INTERCONNECTION PROCEDURES  
OF CLEAN ENERGY MAUI LLC  
AND ZERO EMISSIONS LEASING LLC**

**AND**

**CERTIFICATE OF SERVICE**

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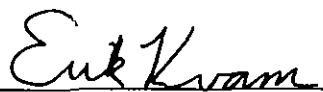
BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of	)	
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PUBLIC UTILITIES COMMISSION	)	DOCKET NO. 2008-0273
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_____	)	

**PROPOSED QUEUING AND INTERCONNECTION PROCEDURES  
OF CLEAN ENERGY MAUI LLC  
AND ZERO EMISSIONS LEASING LLC**

CLEAN ENERGY MAUI LLC ("Clean Energy Maui") and ZERO EMISSIONS LEASING LLC ("Zero Emissions") respectfully submit the following Proposed Queuing and Interconnection Procedures, consisting of *Appendix II – Queuing and Interconnection Procedures* to Clean Energy Maui's and Zero Emissions' proposed *Schedule FIT: Feed-in Tariff -- Purchases from Renewable Energy Generators* for each of Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited (the "HECO Companies"), as filed with the Commission on January 7, 2010 in the above-referenced proceeding.

DATED: Honolulu, Hawaii, February 1, 2010

  
\_\_\_\_\_  
Erik Kvam  
Chief Executive Officer  
Zero Emissions Leasing LLC

  
\_\_\_\_\_  
Chris Mentzel  
President  
Clean Energy Maui LLC

## Appendix II

### Queuing and Interconnection Procedures

A Renewable Energy Generator shall apply for interconnection of a Renewable Energy Generating Facility under this Schedule FIT and for a Schedule FIT Agreement with the Company by submitting the following items (which set of items taken together shall constitute an "Application") to the Company:

- (1) A completed Description of Seller's Generating Facility, having the form set forth in Exhibit A to the Schedule FIT Standard Interconnection Agreement attached as Appendix B the Standard Schedule FIT Tier 1 and Tier 2 Agreement shown at Appendix I to this Schedule FIT;
- (2) A Schedule FIT Standard Interconnection Agreement having the form set forth in Appendix B to the Standard Schedule FIT Tier 1 and Tier 2 Agreement shown at Appendix I to this Schedule FIT and executed by the Renewable Energy Generator;
- (3) A Standard Schedule FIT Tier 1 and Tier 2 Agreement having the form set forth in Appendix I to this Schedule FIT and executed by the Renewable Energy Generator;
- (4) Proof of Site Control consisting of documentation demonstrating ownership, leasehold interest in, or a right to develop a site for the purpose of constructing a Renewable Energy Generating Facility, including demonstration that there is sufficient land area equal to at least 50% of that required to support the size and type of Renewable Energy Generating Facility;
- (5) A non-refundable \$5,000 Application fee;
- (6) An initial deposit of \$10,000 (the "Initial Deposit") applicable to the cost of performing any interconnection requirements study ("IRS") required under the FIT Reliability Standards set forth in Appendix III to this Schedule FIT in connection with the Renewable Energy Generating Facility;

The Company shall receive Applications during a period of twenty (20) consecutive business days to be specified by the Company (the "Application Period"). Upon receiving the Application, the Company will review the information and data provided to verify that the Application is complete and valid. The Company will send an acknowledgement of receiving a valid application or a request for additional information to the Renewable Generator within five (5) business days of receiving the Application.

If the aggregate Electrical Capacity of Renewable Energy Generating Facilities of less than 20 kilowatts, for which complete and valid Applications are received during the Application Period, exceeds the aggregate cap of .25 percent (.25%) of 2008 peak system demand set forth in

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Schedule FIT (the “.25% Cap”), a queue of Applications eligible for continued processing under this queuing procedure (the “.25% Queue”) shall be composed by using a random lottery to select Applications, from among such complete and valid Applications, up to the point at which the aggregate Electrical Capacity of such Renewable Energy Generating Facilities described in the queued Applications equals and does not exceed the .25% Cap. The order in which Applications are selected for the .25% Queue shall be the order in which such Applications continue to be processed under this queuing procedure (the “.25% Queuing Order”).

If the aggregate Electrical Capacity of Renewable Energy Generating Facilities of less than 20 kilowatts, for which complete and valid Applications are received during the Application Period, does not exceed the .25% Cap, a random lottery shall be used to specify the order in which such Applications continue to be processed under this queuing procedure (the “.25% Queuing Order”).

If the aggregate Electrical Capacity of Renewable Energy Generating Facilities of 20 kilowatts or more, for which complete and valid Applications are received during the Application Period, exceeds the aggregate cap of 4.75 percent (4.75%) of 2008 peak system demand set forth in Schedule FIT (the “4.75% Cap”), a queue of Applications eligible for continued processing under this queuing procedure (the “4.75% Queue”) shall be composed by using a random lottery to select Applications, from among such complete and valid Applications, up to the point at which the aggregate Electrical Capacity of such Renewable Energy Generating Facilities described in the queued Applications equals and does not exceed the 4.75% Cap. The order in which Applications are selected for the 4.75% Queue shall be the order in which such Applications continue to be processed under this queuing procedure (the “4.75% Queuing Order”).

If the aggregate Electrical Capacity of Renewable Energy Generating Facilities of 20 kilowatts or more, for which complete and valid Applications are received during the Application Period, does not exceed the 4.75% Cap, a random lottery shall be used to specify the order in which such Applications continue to be processed under this queuing procedure (the “4.75% Queuing Order”).

The Company shall make a decision, based on the information contained in each Application eligible for continued processing under this queuing procedure, whether an IRS is required before the Renewable Energy Generating Facility described in the Application may be interconnected with the Company’s system. The Company shall make such a decision, with respect to each such Application for a Renewable Energy Generating Facility of less than 20 kilowatts, in the .25% Queuing Order. The Company shall make such a decision, with respect to each such Application for a Renewable Energy Generating Facility of 20 kilowatts or more, in the 4.75% Queuing Order.

If the Company decides that no IRS is required, the Company shall refund the Initial Deposit to the Renewable Energy Generator.

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If the Company decides that an IRS is required, the Renewable Energy Generator shall be required to pay an additional deposit of \$40,000 (the "Additional Deposit") applicable to the cost of performing the IRS in connection with the Renewable Energy Generating Facility

The Initial Deposit and the Additional Deposit shall be refunded to the Renewable Energy Generator to the extent that the combined amount of the Initial Deposit and the Additional Deposit exceeds the actual costs of the IRS.

To remain eligible for continued processing under this queuing procedure, the Renewable Energy Generator must meet any two of the following five milestones, or their substitutes, within 12 months from the date on which the Company makes its decision whether an IRS is required with respect to the Renewable Energy Generating Facility described in the Application:

	<b>Milestone</b>	<b>Substitute for Milestone</b>
<b>Equipment on Order</b>	Demonstration that generation equipment has been ordered for the Renewable Energy Generating Facility	Deposit or Letter of Credit equal to the applied-for kilowatts times \$250 per kilowatt
<b>Necessary Permits</b>	Application for state or local air, water, land or hydroelectric permits at least submitted and beginning to proceed through approval process	Deposit or Letter of Credit equal to the applied-for kilowatts times \$250 per kilowatt
<b>Regulatory Approval</b>	Approval of the facility by the Hawaii Public Utilities Commission	Deposit or Letter of Credit equal to the applied-for kilowatts times \$250 per kilowatt
<b>Board Approval</b>	Approval to proceed with project from the Renewable Energy Generator's Board of Directors or its highest level of approval authority as determined by its governance structure	Deposit or Letter of Credit equal to the applied-for kilowatts times \$250 per kilowatt
<b>Deposit or Letter of Credit</b>	Deposit or Letter of Credit equal to the applied-for kilowatts times \$250 per kilowatt	

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The Letter of Credit should clearly specify the "Issuer," the "Account Party," and the "Beneficiary (Company)," the term for which the Letter of Credit will remain open, and the dollar amount available. It should also include a statement as to the instructions and terms for funds disbursement. The party issuing the Letter of Credit must have a minimum corporate debt rating of "A-" by S&P, "A3" by Moody's, and "A-" by Fitch. All costs associated with obtaining the Letter of Credit will be the responsibility of the Renewable Energy Generator.

Upon the Renewable Energy Generator meeting any two of the foregoing five milestones, or their substitutes, the Company shall be obliged to interconnect the Renewable Energy Generating Facility described in the Application, subject to the requirements of the FIT Reliability Standards set forth in Appendix III to this Schedule FIT, and shall be obliged to immediately execute the Interconnection Agreement and furnish the executed Interconnection Agreement to the Renewable Energy Generator.

Upon the Renewable Energy Generator meeting any two of the foregoing five milestones, or their substitutes, the Company shall be obliged to purchase and pay for Renewable Energy with respect to the Renewable Energy Generating Facility described in the Application, subject to the requirements of Schedule FIT, and shall be obliged to immediately execute the Standard Schedule FIT Agreement and furnish the executed Standard Schedule FIT Agreement to the Renewable Energy Generator.

An Application shall be ineligible for continued processing under this queuing procedure, and any Interconnection Agreement and any Standard Schedule FIT Agreement executed by the Renewable Energy Generator and the Company shall terminate, upon the occurrence of any of the following events:

- (1) the Renewable Energy Generator fails to pay the Company, within 3 months of Renewable Energy Generator's receipt of a final invoice from the Company for costs of performing any IRS payable by the Renewable Energy Generator under Schedule FIT, for the amount of such costs in excess of the combined amount of the Initial Deposit and the Additional Deposit;
- (2) the Renewable Energy Generator fails to pay the Company within 6 months of the Renewable Energy Generator's receipt of an invoice from the Company for costs of network upgrades and interconnection facilities required by any IRS and payable by the Renewable Energy Generator under Schedule FIT;
- (3) the Renewable Energy Generating Facility described in the Application fails to go into Commercial Operation within 24 months of the later of (a) completion of all network upgrades and interconnection facilities required by any IRS in connection with the Renewable Energy Generating Facility, or (b) the Company's execution of the Interconnection Agreement and the Standard Schedule FIT Agreement with respect to the Renewable Energy Generating Facility.

Suspension of any of the periods set forth in the immediately preceding paragraph shall be permitted only for Force Majeure reasons: "Any act of God, labor disturbance, act of the

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public enemy, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing by the party claiming Force Majeure."

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Transmittal Letter Dated \_\_\_\_\_, 2010

CERTIFICATE OF SERVICE

I hereby certify that I have this date filed and served the original and eight copies of the foregoing **PROPOSED QUEUING AND INTERCONNECTION PROCEDURES OF CLEAN ENERGY MAUI LLC AND ZERO EMISSIONS LEASING LLC** in Docket No. 2008-0273, by hand delivery to the Commission at the following address:

CARLITO CALIBOSO  
PUBLIC UTILITIES COMMISSION  
465 S. King Street, Suite 103  
Honolulu, HI 96813

I further certify that copies of the foregoing **PROPOSED QUEUING AND INTERCONNECTION PROCEDURES OF CLEAN ENERGY MAUI LLC AND ZERO EMISSIONS LEASING LLC** have been served upon the following parties and participants by causing copies hereof to be hand delivered, mailed by first class mail or electronically transmitted to each such party as follows:

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2 copies  
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DATED: Honolulu, Hawaii, February 1, 2010

  
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